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DEPARTMENT OF EDUCATION
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**FISCAL YEAR 2014
CHILD AND ADULT CARE FOOD PROGRAM
OPERATIONAL MEMORANDUM #10**

TO: Child and Adult Care Food Program Institutions

FROM: Kyle L. Guarrant, Director
Office of School Support Services

DATE: **March 3, 2014**

**SUBJECT: Guidance on Income Eligibility and Determinations and Duration -
REISSUED**

This memorandum provides guidance and clarification regarding individual income eligibility determinations and durations in the Child and Adult Care Food Program (CACFP) and the Summer Food Service Program (SFSP). This memorandum incorporates recently clarified flexibility available for establishing the effective date of eligibility for children certified for free or reduced price meals in the CACFP and SFSP and therefore supersedes CACFP 06-2012, *Guidance on Area Eligibility Determinations and Durations, February 10, 2012* and Michigan Department of Education's (MDE) *Operational Memo #7 Fiscal Year (FY) 2012*.

Eligibility Duration

In accordance with 7 CFR 226.23(f), CACFP institutions must collect and report to MDE free, reduced-price, and paid meal eligibility information. Such information must be updated annually and may not be more than 12 months old. In Michigan this data is reported on monthly claims. Income eligibility forms should be considered current and valid until the last day of the month in which the form was dated one year earlier.

Sponsors now have flexibility concerning the effective date of certification for Program benefits. The date to be used to make this determination may be one of three dates:

- Date the parent/guardian signed the form
- Date the form was submitted by parent/guardian
- Date the sponsor or independent center approves the form

This flexibility applies only to eligibility determinations made through the application process of complete applications containing all required information at the time of submission (see part 3C of the *Eligibility Manual for School Meals available at <http://www.fns.usda.gov/sites/default/files/EliMan.pdf>*).

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Sponsors must decide which date they will rely on as the effective date and apply this date to all income eligibility forms submitted on behalf of all participants in all sponsored centers and homes. For more information, refer to CACFP 06-2014, *Effective Date of Free or Reduced Price Meal Eligibility Determinations*, December 3, 2013 available at http://www.fns.usda.gov/sites/default/files/SP11_CACFP06_SFSP11-2014os.pdf and MDE's Operational Memo #6, FY 2014.

This eligibility duration determination method applies to day care centers and family day care homes, and should be used to assess the expiration of an income eligibility form in all situations, regardless of the reimbursement calculation method used. These provisions also apply to the determination of eligibility for free meals under the SFSP when individual children's eligibility must be established in accordance with 7 CFR §225.15(f).

Change in Income

The Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108-265) modified requirements related to reporting changes in income during the period of eligibility covered by the application. Households are not required to report changes in circumstances, such as an increase in income, a decrease in household size, or when the household is no longer certified eligible for benefits through the Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF).

Therefore, once a household is approved for free or reduced price or tier I benefits, the household remains eligible for those benefits for a period not to exceed 12 months, regardless of any change in household income.

Elimination of Temporary Approval

The final rule, "Applying for Free and Reduced Price Meals in the National School Lunch Program and School Breakfast Program and for Benefits in the Special Milk Program," eliminated the practice of temporary approvals for free or reduced price meal benefits (76 FR 66849, October 28, 2011). The Child Nutrition and WIC Reauthorization Act of 2004 extended the eligibility period in the National School Lunch Program (NSLP) to 12 months, eliminating the use of temporary approvals. Because income guidelines for determining eligibility in CACFP and SFSP must align with those of the NSLP, this provision also applies to CACFP and SFSP.

Previously, temporary approval was encouraged when the need for assistance seemed short-term, such as when a household experienced a temporary reduction in income or when no income was reported. Year-long eligibility did not apply when a household was given temporary approval. At the end of the temporary approval period, determining officials re-evaluated the household's situation. Now, households that were in temporary approval status on November 28, 2011, or have been temporarily approved since that date must be approved for an entire year, with the original date of the temporary approval as the start of the year of eligibility. If a household's temporary approval expired prior to November 28, 2011, the household must submit new income eligibility forms. Year-long eligibility includes households that report no income on their income eligibility forms.

If you have any questions regarding this memorandum, contact the CACFP office at 517-373-7391.